(2) DEC 1 1999

No. 99-925

IN THE

Supreme Court of the United States

INTERSTELLAR STARSHIP SERVICES, LIMITED
and MICHAEL R. TCHOU,

Petitioners,

v.

EPIX, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

SUPPLEMENTAL APPENDIX

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APPENDIX — OPINION OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF OREGON DATED AND DECIDED MARCH 5, 1998

U.S. DISTRICT COURT
DISTRICT OF OREGON

Interstellar Starship Services Ltd. v. Epix Inc.

No. 97-107-FR
Decided March 5, 1998

* * *

Opinion By Frye, S.J.

The matter before the court is the plaintiff-counterclaim defendants' motion for attorney fees and expenses (#107).

BACKGROUND

On November 20, 1997, this court granted the motion for summary judgment filed by plaintiff-counterclaim defendant Interstellar Starship Services, Limited (Interstellar Starship) and denied the motion for summary judgment of infringement of the defendant-counterclaimant, Epix, Inc. The court found that "[w]hile the court concludes that Epix, Inc., is the owner of the valid registered trademark No. 1,618,449, under the facts of this case the court finds no infringement by Interstellar Starship." Opinion, p. 12.

On January 6, 1998, a judgment was entered by the court in favor of Interstellar Starship and against Epix, Inc. An appeal has been filed and is pending.

Appendix

On January 20, 1998, Interstellar Starship moved the court for an order finding this case to be exceptional under 35 U.S.C. § 1117 and awarding it reasonable attorney fees and expenses in the amount of $86,610.00.

On February 17, 1998, Epix, Inc. filed its opposition to an award by this court of reasonable attorney fees and expenses.

CONTENTIONS OF INTERSTELLAR STARSHIP

Interstellar Starship contends that Epix, Inc. sought in this action to expand its trademark beyond what it owned by filing a counterclaim alleging trademark ownership in areas that Epix, Inc. did not own and could not own by virtue of 1) not having filed a trademark that recited such goods and services; and 2) the settlement agreement Epix, Inc. entered into with Epix Data, Inc. Interstellar Starship contends that this court should award it attorney fees and expenses on the grounds that Epix, Inc. forced Interstellar Starship into expensive litigation which neither Interstellar Starship nor Michael Tchou could afford.

CONTENTIONS OF EPIX, INC.

Epix, Inc. contends that its legal position and the arguments that it has made in this case have been reasonable and were based upon recent litigation in which the trademark registrant prevailed over a domain name claimant. Epix, Inc. contends that its position in this case was set forth in good faith based upon the advice of counsel. Epix, Inc. further relies upon this court's prior opinion filed on November 20,

1997 [45 USPQ2d 1304], in which the court states that "[t]he court finds no evidence of bad faith in this controversy." Opinion p. 11.

APPLICABLE LAW

15 U.S.C. § 1117(a) provides, in relevant part, that "[t]he court in exceptional cases may award reasonable attorney fees to the prevailing part." "While the term 'exceptional' is not defined in the statute, generally a trademark cases is exceptional for purposes of an award of attorneys' fees when the infringement is malicious, fraudulent, deliberate or willful." *Intel Corp. v. Terabyte Int'l, Inc.*, 6 F.3d 614, 621 [28 USPQ2d 1182] (9th Cir. 1993) (quoting *Lindy Pen Co. v. BIC Pen Corp.*, 982 F.2d 1400, 1409 [25 USPQ2d 1570] (9th Cir. 1993)). A finding of "exceptional" for the purposes of awarding attorney fees has also been made where the "losing party prosecuted or defended [the] claim in bad faith." *Universal City Studios, Inc. v. Nintendo Co.*, 797 F.2d 70, 77 [230 USPQ 409] (2nd Cir. 1986), *cert. denied*, 107 S.Ct. 578 (1986).

RULING OF THE COURT

While the ability of the parties to afford litigation may be disproportionate, the court finds that there is no bad faith or malicious, fraudulent, deliberate or willful conduct which would support an award of attorney fees to Interstellar Starship.

IT IS HEREBY ORDERED that the plaintiff-counterclaim defendants' motion for attorney fees and expenses (#107) is DENIED.